

*LOS ANGELES COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT*



**MAINTENANCE AND SERVICING
POLICY MEMORANDUM**

Revised March 2015

This Maintenance & Servicing (M&S) Policy Memorandum
contains guidelines for two M&S funding programs:

- 1) ORIGINAL M&S FUNDING PROGRAM (Prop A M&S)**
- 2) M&S FOR EXCESS FUND PROJECTS FUNDING PROGRAM (Excess M&S)**

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OVERVIEW

The Safe Neighborhood Parks Proposition of 1992 and 1996 (the Propositions), which voters approved on November 3, 1992 and November 5, 1996, respectively, provide maintenance and servicing funds to eligible agencies to offset increased maintenance costs resulting from Proposition-funded projects.

- Funds pursuant to the 1992 Proposition will be collected and set aside in Fiscal Year 1993-1994 through Fiscal Year 2014-2015.
- Funds available through the 1996 Proposition will be collected and set aside in Fiscal Year 1997-1998 through Fiscal Year 2018-2019.

This M&S Policy establishes guidelines for the use of these funds and procedures for obtaining them. This Policy Memorandum may be revised from time to time. All affected agencies will be notified of future revisions

The Los Angeles County Regional Park and Open Space District (District) administers these funds, which are held by the District in two funds: (HB3) with separate sub-funds for each agency for the Prop A M&S and HC3 for the Excess M&S. Current totals of funds for each agency in HB3 and funding anticipated in future years are available from an agency's Program Manager.

Inquiries, correspondence and payment claims should be addressed to:

(Name of Program Manager), Program Manager
Los Angeles County Regional Park and Open Space District
510 South Vermont Avenue, Room 230
Los Angeles, CA 90020

PART I – ORIGINAL M&S FUNDING PROGRAM (PROP A M&S)

1. MAINTENANCE AND SERVICING (M&S) DEFINITIONS

As required in the Propositions, maintenance and servicing monies may be used to offset increased maintenance and servicing costs resulting from a Proposition-funded project only.

"Maintenance" and "servicing" costs are as defined in the Landscaping and Lighting Act of 1972 (Section 22500 et seq. of the Streets and Highways Code) as follows:

Section 22531. Maintain or Maintenance

"Maintain" or "maintenance" means the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement, including:

- Repair, removal, or replacement of all or any part of any improvement.
- Providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury.
- The removal of trimmings, rubbish, debris, and other solid waste.
- The cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

Section 22538. Service or Servicing

"Service" or "servicing" means the furnishing of:

- Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements.
- Water for the irrigation of any landscaping, the operation of any fountains, or the maintenance of any other improvements.

ELIGIBLE AGENCIES

Maintenance and Servicing funds are allocated to cities, which were incorporated on or prior to June 30, 1996 and to the County for the unincorporated area of the District, on the basis of their respective total number of parcels of land as of June 30, 1996, and to the Santa Monica Mountains Conservancy.

As provided under Section 9 (b) of the 1992 Proposition, the funds "shall be allocated to cities which were incorporated on or prior to January 1, 1993 and to the unincorporated area of the District on the basis of their respective total number of parcels of land (all as of January 1, 1993)."

Section 5 (a) of the 1996 Proposition revised the basis for allocations to the cities: the funds "shall be allocated to cities which were incorporated on or prior to June 30, 1996, and to the County (representing the unincorporated area of the District), on the basis of each city's and the unincorporated area's respective total number of parcels of land (all as of June 30, 1996). Such figures shall be determined by the Los Angeles County Assessor."

ELIGIBLE PROJECTS

In most cases, an agency will not apply for maintenance and servicing funds until the project that qualifies payment of these funds has been completed and the grant has been closed (see procedural guides for the various grant programs for information on how to close a grant).

However, if the project consists of development in several phases, acquisition and development, or acquisition of land from several land owners, some maintenance and servicing funds may be claimed if eligible expenses are incurred prior to the entire project's completion.

ELIGIBLE & INELIGIBLE EXPENDITURES

Eligible	Ineligible
Project elements (per project description) paid for with Prop A Funds	Projects not paid for with Prop A Funds
Project elements not paid for with Prop A grant funds, but was part of entire project. For example: in a Prop A pool rehabilitation grant project the pool pump was paid for with other funds. Replacement of the pool pump is eligible for M&S.	Maintenance and servicing of projects not funded from the Propositions.
Increased staff costs necessary for the usual operation and maintenance of the facility.	Direct charges for management, clerical, personnel and other administrative expenses incurred by the agency.
Cost of the staff member needed to open, schedule and oversee (i.e., operate) a new recreation building.	Additional staff to run recreational programs, such as coaches, karate instructors, etc.
Lifeguards, Maintenance Workers,	Recreation Leaders, Cashiers, etc.
An agency's direct overhead rates as applied to wages, services and supplies. *Must be shown as a percentage of the total expenditure such as supplies or a staff maintenance worker's hourly rate.	Purchase of supplies for office, programming or public information materials.
Replacement of equipment included in the original project description (e.g. swimming pool pump).	Purchase of fixed assets or capital outlay equipment.
Lighting, Security Systems	Police patrols or other security patrols.
Graffiti removal	Rewards for information on vandalism of the facility.
The costs of using maintenance equipment; rental rate or a set hourly rate that reflects such factors as depreciation, maintenance and repair of the equipment, replacement parts and fuel.	Travel and field inspection expenses of agency personnel.
Contracts with maintenance providers (e.g. conservation corps, weed abatement, etc.)	Penalties, interest, and similar costs levied against an agency by a contractor or a provider of product or service.
	Liability and injury claims filed against the agency, whether or not the cause of action stems from alleged improper maintenance and servicing of Proposition-funded projects.

M&S Budgets

An eligible agency may apply for maintenance and servicing funds upon approval of:

- 1) M&S Budget that has been submitted to show the increased costs of maintaining the facility acquired, developed, improved or refurbished with Proposition grant funds, and/or
- 2) Request for extraordinary/unanticipated M&S costs (see page 10...)

Funds for Anticipated Expenditures (Annual Budget)

Reimbursable expenditures will vary greatly depending upon the type and scope of the project. For instance, rehabilitation of an existing recreation building may result in no ongoing increases in maintenance costs, but construction of a new building will result in new maintenance costs eligible to be paid with District funds.

The M&S Budget must include Grant Number, Project Name, Project Description, M&S Description and Project Completion Date (per Notice or Statement of Completion). **If the facility generates revenue, then this must also be shown on the budget.**

Submit a separate budget for each facility. The District will notify the agency, in writing, when the budget or budgets have been approved. Submit a revised budget for approval when the previous budget no longer reflects costs accurately. See website <http://parks.lacounty.gov/wps/portal/dpr/osd/> for step-by-step instructions on creating budgets.

An agency may request payment based on an approved budget for costs that will be incurred during the current or the next fiscal year. The exact period of time covered by the payment must be clearly indicated on the payment request (annual, quarterly, etc.)

At the end of the covered period, if any of the funds paid have not been expended as set out in the approved budget, the agency shall inform the District. An adjustment will then be made to the next payment to credit the unused funds from the previous period to the new request.

The District may request supporting documentation of the exact expenditures covering any such payment previously made. See page 10 for accounting requirements.

Maintenance and Servicing Policy Memorandum

Revised, March 18, 2015

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SAMPLE M&S BUDGET #1 – NEW PARK

(additional sample budgets available at <http://osd.lacounty.gov>)

Los Angeles County Regional Park and Open Space District Prop A M&S Budget - Fiscal Year July 1, 2013 – June 30, 2014

Grantee City of Beautiful Parks
Project Name Fabulous Park Acquisition and Restoration
Grant Number 5899-11-9999
Completion Date 03/05/2012

Project Description

Acquisition and development of two lots into a small park, including clearing and filling of the site, installation of an irrigation system, landscaping, restroom, and installation of playground equipment.

Maintenance and Servicing Description

New facility, all maintenance and servicing related to the site will be new budget items.

Expense Items		
1	Janitorial Services	2 employees with approximately 350 man hours per year at a cost of \$16.75 per hour, including benefits and 12 percent direct overhead.
2	Gardening and Landscaping Services	2 employees with approximately 350 man hours per year at a cost of \$12.00 per hour, including benefits and 12 percent direct overhead.
3	Equipment - Mower	Hourly rate for use of a mower for the new turf - Approximately 4 hours twice a week at \$5.00 per hour, which includes equipment maintenance, fuel and 8 percent direct overhead.
4	Electricity	To be provided by The Solar Electric Company at the industrial rate of \$0.12 per kWh (average rate, inclusive of other charges).
5	Waste Disposal	Under contract with Dispose and Go Company. Amount shown is contract cost. Contract involves weekly, plus special holiday, trash pick-ups.
6	Water	For use in the fountain and restroom areas, for facilities cleaning and landscape irrigation. Water supply to be provided by The Dry Water District Company.
7	Supplies	Restroom supplies, replacement of small items like sprinkler parts, nuts and bolts of play equipment, etc., including 8 percent direct overhead.
8	Miscellaneous	Expenditures on small items that will not fit in any of the above categories. These are estimated at 7 percent of the total above expenses in this example.

Budget				
		<i>Before</i>	<i>After</i>	<i>Increase</i>
1	Janitorial Services	\$0	\$13,132.00	\$13,132.00
2	Gardening & Landscaping Services	\$0	\$9,408.00	\$9,408.00
3	Equipment - Mower	\$0	\$2,246.40	\$2,246.40
4	Electricity	\$0	\$2,000.00	\$2,000.00
5	Waste Disposal	\$0	\$2,400.00	\$2,400.00
6	Water	\$0	\$1,000.00	\$1,000.00
7	Supplies	\$0	\$500.00	\$500.00
8	Miscellaneous	\$0	\$1,440.00	\$1,440.00
	Total			\$32,126.00

Sample M&S Budget #2 – Expansion

(additional sample budgets available at <http://osd.lacounty.gov>)

Los Angeles County Regional Park and Open Space District Prop A M&S Budget - Fiscal Year July 1, 2013 – June 30, 2014

Grantee City of Relaxing Parks
Project Name Bubbly Aquatics Facility Expansion
Grant Number 5899-11-8888
Completion Date 05/05/2012

Project Description

Renovation and expansion of aquatics facility.

Maintenance and Servicing Description

The new pool will increase the park's maintenance and servicing costs. The agency charges for recreational swim and swim lessons. Revenue projections are based upon an average 280 persons per day, and 100 persons taking swim lessons (\$12.00 per person for a 12-week season). Admissions are expected to be 75 percent under age 17 at \$1.00 per person and 25 percent over age 17 at \$2.00 per person.

	Expense Items	Description
1	Lifeguard Wages (Staff)	Average of \$18.50 per hour, including benefits and 10% direct overhead. Based on a 40-hour week, 15-week session. 2 staff.
2	Janitorial Services (Staff)	Average of \$14.50 per hour, including benefits and 10% direct overhead. Based on a 40-hour week, 15-weeks and 20-hour week, 37 weeks. 2 staff.
3	Pool Supplies	Chlorine, acids, disinfectants - one year's supply.
4	Waste Disposal (Contract)	The cost shown below is contract cost from the low-bid contractor, Dispose and Go Company.
5	Electricity	Provided by The Solar Electric Company.
6	Water	Provided by The Dry Water District Company.
7	Repairs	Replacement of small items including 8 percent direct overhead.
8	Cashiers	Two cashiers clerks. Average of \$10.50 per hour, including benefits and 10% direct overhead. Based on a 40-hour week, 15-week session.

	Budget	Before	After	Increase
	Reimbursable			
1	Lifeguard Wages	\$ 12,210.00	\$ 24,420.00	\$ 12,210.00
2	Janitorial Services	\$ 13,640.00	\$ 42,746.00	\$ 29,106.00
3	Pool Supplies	\$ 3,000.00	\$ 7,000.00	\$ 4,000.00
4	Waste Disposal	\$ 6,000.00	\$ 11,000.00	\$ 5,000.00
5	Electricity	\$ 2,500.00	\$ 5,000.00	\$ 2,500.00
6	Water	\$ 400.00	\$ 22,000.00	\$ 21,600.00
7	Repairs	\$ 2,000.00	\$ 300.00	\$ (1,700.00)
	Subtotal	\$ 39,750.00	\$112,466.00	\$72,716.00
	Non-Reimbursable			
	Cashier	\$ 6,930.00	\$ 13,860.00	\$ 6,930.00
	Subtotal	\$ 6,930.00	\$13,860.00	\$6,930.00
	Total Expenses (Reimbursable + Non-Reimbursable)	\$ 46,680.00	\$126,326.00	\$79,646.00
	Revenue	\$ 15,000.00	\$ 43,800.00	\$ 28,800.00
	Net	\$ 31,680.00	\$85,526.00	\$50,846.00
	Claimable			\$50,846.00

Unanticipated and/or Extraordinary Expenses

Some maintenance expenses occur infrequently or cannot be anticipated in advance in the M&S Budget. Therefore, in addition to or in place of the annual budgeted expenses, an agency may claim eligible extraordinary expenses as they occur. The extraordinary expense must be related to the grant-funded project. Grantees are advised to work closely with their Program Manager to ensure eligibility of and to obtain prior District approval of the extraordinary expense(s).

For reimbursement of extraordinary expenses, M&S grantees must provide quotes, invoices, cancelled checks and a memo stating what work was completed.

For advance payments, grantees must submit request and a cost estimate. Expenses must be incurred as soon as the agency receives the funds. Once the work is complete and the vendor is paid, grantees must provide invoices and cancelled checks. After the final costs have been documented, and prior to submitting additional M&S payment requests, the agency must submit documentation of the exact costs incurred. The District will be unable to approve further payment requests until complete documentation supporting the advance is received.

Examples of Extraordinary Maintenance Expenses:

Category	Example #1 New Local Park	Example #2 Renovation	Example #3 Pool Addition	Example #4 Expansion	Example #5 Renovation of Existing Pool
Natural Calamities, Disasters, and Acts of God	Strong winds blew down fencing around playground equipment	Termite infestation of several beams of the picnic shelter	Pool filter and fill lines damaged by earthquake	Facility is hit by lightning, causing damages that need repair	A tree fell and damaged the bath house
Man-made Destruction (Vandalism, Theft, Negligence, Accidents)	Vandals destroyed playground equipment	One of the brick planters is hit by a car and must be rebuilt	Maintenance worker accidentally drops ladder, breaking a pool pump connection	Vandals broke glass windows	Vandals destroyed shower heads and restroom fixtures
Gradual Physical or Functional Deterioration, Obsolescence	Old playground equipment needs to be replaced for safety reasons	Replacement of decaying gazebo, replacement of recreation building roof	15-year old drainpipes need replacement, heater breaks, pool cover needs to be replaced	Gym floor needs resurfacing, air conditioner breaks down, building needs repainting	A more efficient automatic chlorinator became available that will pay for itself

PAYMENT REQUESTS

All requests for payments must be submitted on a Maintenance and Servicing Request Form.

The request must be in conformance with an approved annual budget. Payment requests, except for extraordinary maintenance expenses, will not be processed without a District-approved budget. There will be no need to attach proof of expenditures to receive payment for eligible expenditures that are consistent with the approved budget. See pages 7, 8 for examples of Maintenance and Servicing Budgets. The Maintenance and Servicing Request Form is available on the website.

When to Submit Payment Requests

Although agencies may submit payment requests for M&S funds at any time during the year, grantees are encouraged to submit payment requests on an annual or bi-annual basis.

Receipt of Payments

Allow four to six weeks to receive payment after submitting a request.

Accounting Requirements

Effective January 1, 2005, each Agency is required to maintain satisfactory financial accounts, documents, and records for the Project's maintenance and servicing and to make them available to the District for auditing at reasonable times. Agency also must retain such financial accounts, documents, and records for five years following Project's maintenance and servicing period for which expenses have been incurred.

Long Term Grant Obligations - Maintenance and Operation

Grant-funded property must be maintained and operated in perpetuity. Reasonable public access to Grant-funded property, including the provision of parking and public restrooms, must also be provided in perpetuity, except where that access may interfere with resource protection.

Grant-funded property must be open to members of the public generally, except as noted under the special provisions of the Project Agreement.

Grant-funded property must be open and accessible to the public in perpetuity, without discrimination as to race, color, sex, sexual orientation, age, religious belief, national origin, marital status, physical or mental handicap, medical condition, or place of residence, to the extent consistent with the provisions of the 1992 and 1996 Propositions and of the Project Agreement.

Additionally, the Grantee, or any other agency or organization operating the Grant-funded property, is prohibited from discriminating against or providing preferential treatment to any person or organization seeking to use such facility based on the place of residence of such person or the members of such organization. This prohibition extends in perpetuity and includes, but is not limited to, charging fees that differentiate between residents and non-residents or that grant preferential treatment to city residents with regard to reservations or registration.

EMPLOYMENT OF YOUTH

Emphasis is placed in both Propositions on the employment of youth in park improvement projects. A Youth Employment Goal (YEG) has been calculated for all agencies. Agencies may meet this goal by employing youth on grant funded projects, in the maintenance of facilities acquired, improved or rehabilitated with Proposition A funds or in projects or programs funded by agency discretionary funds. Programs such as Summer Youth Employment (SYEP), for example, are not eligible because the agency is required to spend these funds on youth employment.

For maintenance of eligible projects, an agency may employ youth directly or contract with youth providers for maintenance crews to perform periodic routine maintenance or extraordinary maintenance projects. In such cases, the costs of youth employment are eligible for reimbursement by the District and the expenditures also help the agency to meet its Youth Employment Goal.

An agency that does not meet its Youth Employment Goal is subject to a restriction of its Maintenance and Servicing funds to ensure that the agency fulfills its YEG. Further information on the District's employment of youth requirements is provided in Appendix C, D, and E of the

Specified and Per Parcel Grant Program Procedural Guide or from an agency's program manager.

UNUTILIZED ALLOCATIONS

Rollover Funds

The District shall accumulate allocated monies for future withdrawal by the eligible agency. Unspent funds held in an agency's M&S account will not earn interest.

Transfer of Funds

An agency may, with consent of its governing body, transfer its right to all or a portion of its maintenance and servicing monies to another agency eligible to receive the funds under the Propositions. In such cases, the agency releasing the funds must present to the District a certified copy of a resolution, duly adopted by the governing body, relinquishing the agency's right to all or a portion of the funds for such time as the agency determines. The receiving agency may apply for and spend these funds only in accordance with the provisions of the District Maintenance and Servicing Policy.

An agency that wishes to assign its maintenance and servicing monies to an agency not specified in the Propositions (e.g., a nonprofit organization that has completed a project under a competitive grant program) should contact its Program Manager. The agency assigning the funds shall obtain pre-approval from the District.

PROPOSITION REQUIREMENTS

Section 23 (b) of the 1992 Proposition designated fifteen percent (15%) of the District's assessment to offset increased maintenance and servicing costs. Section 23 (b) of the 1996 Proposition revised the allocation of the maintenance and servicing funds as follows:

Section 23 (b) of the 1996 Proposition provides: "On an annual basis, fifteen percent (15%) of all proceeds of the Additional Assessment and the 1992 Assessments (or such greater percentage of the proceeds of the Additional Assessment and the 1992 Assessment, not to exceed twenty percent (20%), as determined by the Board) shall be set aside and designated as the maintenance and servicing amount, and shall be used only to maintain and service capital outlay projects funded by the District pursuant to the 1992 Order and this resolution. Such maintenance and servicing amount of the Additional Assessment and the 1992 Assessment shall be allocated each year as follows:

- (1) to the County (for the benefit of the Department of Parks and Recreation, or the Department of Beaches and Harbors, or any other applicable department as determined by the Board), an amount obtained by multiplying the aggregate amount of such maintenance and servicing funds to be allocated for such year by a fraction, the numerator of which is the number of parcels of land in the unincorporated area of the County and the denominator of which is the total number of parcels of land in the County;

- (2) to the Santa Monica Mountains Conservancy, or any other agency designated by it to manage properties acquired pursuant to this resolution, (the 1996 Proposition) or the 1992 Order by the Conservancy or any joint powers entity to which the Conservancy is a party which has acquired properties pursuant to the 1992 Order or this resolution, a percent of the total maintenance and servicing funds that equals the percent of the total capital outlay funds that are allocated to and/or to be expended by the Santa Monica Mountains Conservancy and Mountains Recreation and Conservation Authority pursuant to Section 3 of this resolution; and
- (3) except as provided in the next paragraph, to each incorporated city within the District, an amount obtained by multiplying the maintenance and servicing funds remaining after the allocations described in the preceding clauses (1) and (2) by a fraction, the numerator of which is the number of parcels of land in such city and the denominator of which is the total number of parcels of land in the incorporated areas of the County.
- Of the maintenance and servicing funds allocated to the County in this resolution, (the 1996 Proposition) and the 1992 Order, the Department of Beaches and Harbors shall be allocated an amount obtained by dividing the total amount of funds allocated to the Department of Beaches and Harbors in this resolution and the 1992 Order by the total amount of funds allocated for specific identified projects and for per parcel grants to the Department of Parks and Recreation in the resolution and the 1992 Order.
- On an annual basis, one million seven hundred thousand dollars (\$1,700,000) shall be deducted from the maintenance and servicing funds allocated to the City of Los Angeles in this resolution, (the 1996 Proposition) and the 1992 Order, and such amount shall be used to pay debt service on bonds, notes or other evidences of indebtedness issued to fund the project described in Section 8 (b) 2.V.x. of the 1992 Order.
- In the event of an inconsistency between this Section (23. (b) of the 1996 Proposition) and Section 23 of the 1992 Order, this Section shall prevail."

Section 23 (c) of the 1992 Proposition provides: "Funds for maintenance and servicing as described in this section shall be allocated annually to each city within the District and the County. Such allocations shall be made only to those entities which certify that: (i) such funds shall be used only to maintain and service projects funded by the District pursuant to this order, and (ii) such funds shall be used to supplement existing levels of service and not to fund existing levels of service."

Pursuant to **Section 24 (a) of the 1996 Proposition** additional funding is made available each year by a calculation of excess revenues over expenditures from the prior year to be determined by an independent audit of a Financial Consultant. "....In each year, 80% of the available excess as identified in the Plan of Revenue and Expenditures approved by the Board shall be allocated by the Board pursuant to this section and in accordance with the following schedule (to the extent permitted by applicable law and not inconsistent with the other

provisions of this resolution). 80% shall be allocated for capital projects and 20% shall be allocated for maintenance and servicing of those capital projects."

Additionally, [Section 21 \(a\)](#) of the 1996 Proposition provides that "... In any year, a recipient agency may utilize an amount not more than one percent (1%) of the funds which it is eligible to receive under [subsection \(b\) of Section 23](#) for reimbursement of accounting and bookkeeping costs as applicable overhead to pay for compliance with the District's accounting and reporting requirements." Normally, this will be included as part of the agency's overhead rate on its eligible maintenance and servicing costs.

As specified under [Sections 23 \(b\) and \(c\) of the 1992 Proposition and Section 23\(b\) of the 1996 Proposition](#), Los Angeles County, the Santa Monica Mountains Conservancy and all cities, are entitled to a share of the benefit assessment revenues allocated for maintenance and servicing of Proposition-funded improvement projects.

PART II – M&S FOR EXCESS FUND PROJECTS FUNDING PROGRAM (EXCESS M&S)

Excess Funds have been declared since Fiscal Year 1998-99. All of the Excess Funds made available from FY 1999-2000 through FY 2012-2013 have been for capital outlay projects only. This is due to the mandatory requirement to expend 80% of the assessment revenue for capital outlay projects in the first 20 years. This restriction expired at the end of fiscal year 2012-13. As a result, the directive in Proposition A of 1996 to allocate 20% of the Available Excess Funds for maintenance and servicing of Excess Fund grant-funded projects can be implemented. The following procedures and guidelines will be used for allocation of Maintenance and Servicing Funds for Excess Fund funded projects.

ELIGIBLE AGENCIES

Only agencies eligible to receive M&S funds under the 1996 Proposition will be eligible for Excess M&S. Allocation of funds or assignment of funds to agencies not entitled to this funding program versus agencies eligible for Excess M&S should be taken into consideration before funding. Time is of the essence in this program.

POLICIES, PROCEDURES AND REQUIREMENTS

All policies, procedures and requirements promulgated for the ORIGINAL M&S FUNDING PROGRAM under Proposition A of 1996 will be followed (see Part I of this Policy Memorandum) except for the following:

1. Only agencies that have utilized Excess Fund Grant Program will be eligible for the Excess M&S.
2. Only Excess Fund projects that have been completed and closed are eligible for M&S funds under this funding program except when the entire grant contains other funding sources from Prop A, example, the grant is a combination of Prop A 1992, Prop A 1996, Sale of Property (SOP) and Excess Fund. As long as there is Excess Fund component, the agency has the option to utilize its budget for the entire project to claim against Excess M&S funds, or to segregate the other funding sources to claim against the regular M&S fund.
3. The Excess M&S funds will not be accumulated for each agency but can be accumulated for each category. Each category has an assigned sub-fund. The categories are: Big Five Excess M&S, County Excess M&S and City Excess M&S. Each year, the Excess M&S will be disbursed pro-rata based on payment requests submitted by a deadline to be announced by the District. If payment requests submitted exceeded the total new Excess M&S, then unspent Excess M&S from the prior year will be reduced to fill the required funds to fully pay for the submissions at the discretion of the District. The goal for the District is to spend all Excess M&S declared for that year and any remaining funds. (See additional guidelines on this.)
4. No Projects under development or completed but not yet closed will be eligible to either advance funding of this M&S program nor will funds be reserved for future funding of uncompleted projects.
5. No Excess M&S will be reserved for the unallocated/uncommitted Excess funds from the prior years and current year.
6. Transfer or assignment of M&S funds will not be allowed except when 2 agencies have a joint project funded by Excess Funds in the same grant.

7. Effective 7/1/2015, extraordinary expenses incurred from this day on will now be eligible for reimbursement under this program.
8. Employment of At Risk Youth while encouraged, will not be a mandatory requirement for release of Excess M&S funds except if the agency still has not completed its Youth Employment Goal under the 1992 and 1996 Propositions A.
9. If for some reason the budget element submitted for consideration is not acceptable or rejected, the grantee will have the opportunity to correct the deficiency but only up to the extent of the original amount submitted for consideration. It can be reduced but cannot be increased.

CALCULATION FORMULA

Every year the Plan of Revenues and Expenditures (the Plan) is prepared by the District via an independent financial consultant and submitted to the Board of Supervisors for approval. Beginning Fiscal Year 2013-2014, the Plan will also calculate Excess M&S available based on excess current revenue. Excess revenues from prior years are excluded in the calculation of the Excess M&S due to the 80% capital outlay restriction prescribed in Section 24 of the Proposition. The Excess M&S will be divided into three categories:

- 50% will be assigned to fund M&S for Big 5 projects.
- 25% will be assigned to fund M&S for County Excess projects.
- 25% will be assigned to fund M&S for City Excess projects.
- The competitive portion of the Excess projects has been distributed and included in the allocation above.

The Excess M&S will be disbursed based on the following steps:

1. A list of closed Excess Fund projects will be created as of April 30 of each year and the grantee agencies from this list will be eligible to apply for Excess M&S.
2. The District will send notification letters to the grantees on the list advising them to submit requests for payments if they are interested in receiving Excess M&S.
3. There will be a deadline for submission of the payment requests.
4. All the payment requests will be gathered and reviewed by the Program Managers for eligibility for funding, consistent with the process for the Original M&S Program.
5. After approval by the Program Manager, the District will prepare a list of grantees eligible for Excess M&S and the amount requested by each grantee.
6. Based on this list, the District will determine a pro-rata percentage share for each agency based on the amount requested and allocate the available Excess M&S.
7. If there are rollover funds from a prior year in any category, the new base amount for the entire Excess M&S will increase and the new base will be split 50-25-25.
8. A grantee may or may not receive the full amount it requested.

DISBURSEMENT OF M&S FUND FOR EXCESS FUND PROJECTS

Although it is the intent of the District to provide equitable distribution of M&S Funds for Excess funded projects, past experience in administering the regular Prop A M&S showed that some agencies utilize maintenance funds more than others. Under the Excess M&S program, the District will provide equal chances for eligible grantees to claim Excess M&S funds equal to the portion of their allocation for the current year based on submitted budget and as calculated by formula indicated above. Thus, it will be to the benefit of the grantee to submit requests as soon as they get notice that the funds are available.

If unspent Excess M&S funds remain as of June 30 of each year, the unclaimed funds will be rolled over to the following year and will serve as basis for the distribution of funds (both new Excess M&S plus prior year Excess M&S).

Here are additional requirements:

1. Only a listing of budgeted expenses will be required subject to audit or verification when Program Managers go on site visit or when an outside contract auditor comes to audit.
2. Effective 7/1/2015 extraordinary expenses can be claimed against this funding program.
3. District staff will stamp all incoming mails with a date and time stamp that will be used for determination of priority status. In addition to this, a log will be created where requests for payments are recorded for reference and audit trail purposes.
4. Requests for payments go through review and approvals by the Program Manager, Grant Supervisor, Administrative Supervisor, the Finance Section and the District Administrator . The request should have final approvals from all approvers before disbursement can be finalized. If rejected or denied by any one of the approvers, this makes the particular request ineligible for payment creating a situation where unspent funds will be rolled over to the following year unless deficiency in the requirement is resolved as soon as possible at the discretion of the District Administrator.
5. Decision for conflicts if any will be made by the District Administrator or in his/her absence, by a consensus of two out of the three section heads.
6. Closed grants that have a combination funding of 1992, 1996 and Excess Fund will be reviewed based on the Project number assigned to the funding. The agency has the option to use budget for the entire project to claim against Excess M&S funds or segregate the other funding sources to claim against the regular M&S fund. This way, if needed, the Project number assigned to the Excess funding source will be used to calculate Excess M&S and the 1992 and 1996 funding source portion can claim against the regular M&S. If the Agency decides to claim the entire project against Excess M&S, it should be accommodated.
7. Grantees can claim both regular M&S and Excess M&S using the same budget for Excess funded projects as long as the projects are closed. Since the Excess M&S is disbursed on a first come first served basis, it will be to the advantage of the grantee to claim Excess M&S first before the regular M&S. The claim for both can be done but the total should be up to the full amount of the payment request only. Double dipping will not be allowed. For example, if the entire project is claimed against Excess M&S and the prorated amount is less than the claim, the balance not received from Excess M&S can be claimed against the regular M&S.
8. Processing of payments for Excess M&S should be the same as the regular M&S. The only difference is, we will use a different fund, a different distribution rate for each agency and the agency will not accumulate the Excess M&S in their individual sub-funds. There will be a separate fund with sub-funds for the different categories to disburse this Excess M&S.